Secretary for processing the recommendations other than those which are the concern of Ministry of Finance. 'The Action Taken Report' is under preparation and will be laid on the Table of the House.

बैंक आफ बड़ौदा में घपला किया जाना

5474. **श्री सोम पाल :**
श्री शारदा मुखर्जी :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान दिनांक 27 मार्च, 1994 के इंडियन एक्सप्रेस में बैंक आफ बड़ौदा में किए गए 60 करोड़ रुपये के घपले के संबंध में प्रकाशित समाचार की ओर दिलाया गया है;

(ख) यदि हां, तो इस संबंध में ब्यौरा क्या है; और

(ग) क्या सरकार ने पूरे मामले की जांच कर ली है और यदि हां, तो इसमें लिप्त पाये गए लोगों के नाम क्या हैं और सरकार उनके विरुद्ध क्या कार्यवाही करने जा रही है ?

वित्त मंत्रालय में राज्य मंत्री (श्री एस. वी. चन्द्रशेखर मूर्ति) : (क) जी, हां।

(ख) और (ग) भारतीय रिजर्व बैंक ने सूचित किया है कि बैंक आफ बड़ौदा की वालकेश्वर शाखा में मूल हिताधिकारियों से भुगतान रसीद प्राप्त किए बगैर विभिन्न कंपनियों और अलग-अलग व्यक्तियों के नाम पर कुछ अल्पावधिक जमाराशियों की समय-पूर्व अनियमित भुगतान करने की अनुमति दी गई थी। इन समय-पूर्व निकासियों की राशि को शाखा के दूसरे शाखक और उनसे संबंधित कंपनियों के खाते में जमा किया जाता था। इस तरह के अनियमित अंतरणों में मार्च से दिसम्बर 1993 के दौरान अंतर्गत कुल राशि लगभग 59 करोड़ रुपए थी। इस घोटाबाजी में शामिल पाए गए की मुख्य प्रबंधक, तीन अधिकारी और एक लिपिकीय कर्मचारी को निलंबित किया गया है। बैंक ने केन्द्रीय जांच ब्यूरो में आपराधिक शिकायत दर्ज की है।

Hawala Racket at Ahmedabad

5475. SHRI P. UPENDRA : Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate has unearthed an international hawala racket at Ahmedabad;

(b) whether any arrests have been made in this regard; and

(c) what action Government are taking to find out the remifications of the racket and punish the guilty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE, (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) to (c) Three cases of hawala transactions involving Rs. 8.78 crores have been detected in Ahmedabad during the first quarter of 1994. Three persons have been arrested. Further investigation is in progress.

Buying and selling rates of shares

5476. SHRI SATISH PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there is a wide gap between buying and selling rates of shares quoted on the Bombay Stock Exchange, which is causing hardships to small investors;

(b) whether it is a fact that such wide gap is due to lack of liquidity since the announcement of ban on forward trading; and

(c) whether Government would find a suitable alternative to forward trading in coordination with stock exchanges in order to encourage small investors ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) and (b) The Securities and Exchange Board of India (SEBI) has indicated that the Bombay Stock Exchange does not maintain or publish any data on jobbing spreads and, therefore, it is not possible to ascertain the exact extent of jobbing spreads at any moment of time. It is therefore not immediately possible to forge a relationship between liquidity in the market and jobbing spreads. The buying and selling rates of shares depend upon a variety of factors operating in the stock market and the spreads between buying and selling rates tend to be related to turnover. The volume of turnover in the Bombay Stock exchange did not generally fall till 12th March, 1994 as a consequence of the regulatory

measures taken by the SEBI. Although after 12th March, 1994, there was a sharp fall in the volume of turnover in specified shares for a few days, the turnover has shown signs of increase in the last fortnight. Some reduction in the volume of turnover is inevitable on account of reduction in speculative activity. At present, there is no ban on carry-forward of transactions in specified shares.

(c) Securities and Exchange Board of India (SEBI) has decided on March 9, 1994 to allow carry-forward facility in the stock exchanges at Bombay, New Delhi, Calcutta and Ahmedabad under a framework of transparency and effective regulation, provided the stock exchanges satisfy SEBI that they are in a position to implement the system as proposed by SEBI.

MODVAT Credit to big paper mills

5477. SHRI SHANKAR DAYAL SINGH :
DR. BAPU KALDATE :

Will the Minister of FINANCE be pleased to state :

(a) whether the agro-based paper mills products are now taxed at 10 per cent;

(b) whether big paper mills using wood pulp are going to get full MODVAT Credit;

(c) if so, what would be the increased MODVAT benefit they would get on existing benefits; the details thereof;

(d) whether it is a fact that agro-based mills are now discouraged to use more than 50 per cent of agro-based raw material;

(e) if so, the reasons therefor;

(f) what is the quantum of tax differential, in quantum and percentage, between agro-based mills and wood pulp based mills per tonne; and

(g) whether the reduction of price differential due to reduction of tax differential would harm and liquidate agro-based mills ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Agro based paper products attract excise duty at 5%, 10% or 15% depending, *inter alia*, on the percentage of unconventional raw material used and/or the quantum of clearances made from a paper factory in a financial year.

(b) and (c) All paper mills, including big paper mills, manufacturing dutiable products, can get MODVAT of duty paid on the inputs used by them. After the 1994-95 Budget, they would be entitled to take credit of duty paid on capital goods and petroleum products also. It is not possible to quantify the extra credit which will vary from mill to mill.

(d) and (e) At present, paper and paper board made from pulp containing 75% or more or unconventional raw materials attract a low rate of 5% ad valorem. A concessional rate of excise duty of 10% or 15% ad valorem is applicable when the use percentage of use of such materials is 50% or more but below 75%. Thus, there is an incentive for using unconventional raw materials.

(f) and (g) Paper and paper board produced by wood based mills are taxed at 20% ad valorem. Paper and paper board made from unconventional raw material (which includes agro based raw materials) based mills are taxed at 15% ad valorem if they use at least 50% pulp made from such materials. However, subject to certain conditions, products of such mills are taxed at 10% ad valorem upto a clearance of 33,000 tonnes in a financial year. Products of unconventional raw material based mills using 75% or more pulp of such materials are taxed at 5% ad valorem. In the Budget it was 10% but now we have reduced to 5%. As far as the differential in quantitative terms is concerned, the ex-factory prices of paper and paperboards vary, *inter alia*, with the type and/or quality of paper and paperboard and therefore, the differential will also vary from mill to mill and paper to paper. The present duty differential of 15% or 10% between small paper mills using agro based materials and wood based mills is considered reasonable to protect the interests of the former.

Modification of guidelines for issuing bonus shares

5478. SHRI SURESH KALMADI : Will the Minister OF FINANCE be pleased to state :

(a) whether it is a fact that the Securities and Exchange Board of India have recently modi-